



FEDERAL ELECTION COMMISSION
Washington, DC 20463

APR 27 2018

Andrew Duncan, CEO
IGX, LLC
2711 Centerville Road, Suite 400
Wilmington, DE 19808

RE: MURs 7013 / 7015

Dear Mr. Duncan:

On February 25 and 29, 2016, the Federal Election Commission ("Commission") notified you of two complaints alleging that IGX, LLC may have violated certain provisions of the Federal Election Campaign Act of 1971, as amended ("Act"). Copies of the complaints were forwarded to you at that time.

The Commission considered these matters on April 10 and 24, 2018. Having reviewed the allegations raised in the complaint, the Commission was divided on whether to find reason to believe that IGX, LLC violated 52 U.S.C. § 30122. In addition, the Commission on April 10, 2018, found no reason to believe that IGX, LLC violated 52 U.S.C. §§ 30102, 30103, 30104 by failing to register and report as a political committee. On April 24, 2018, the Commission approved the enclosed Factual and Legal Analysis, which provides the basis for the Commission's finding. This matter is now closed.

Documents related to the case will be placed on the public record within 30 days. See Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016).

If you have any questions, please contact Saurav Ghosh, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Shonkwiler", is written over a horizontal line.

Mark Shonkwiler
Assistant General Counsel

Enclosure
Factual and Legal Analysis

1 **FEDERAL ELECTION COMMISSION**

2 **FACTUAL AND LEGAL ANALYSIS**

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4 RESPONDENT: IGX, LLC

MURs: 7013 / 7015

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7 **I. GENERATION OF MATTER**

8 This matter was generated by two complaints filed with the Federal Election Commission
9 (“Commission”) by the Citizens for Responsibility and Ethics in Washington and Noah
10 Bookbinder, and Campaign Legal Center, Democracy 21, J. Gerald Hebert, Paul S. Ryan, and
11 Tara Malloy. *See* 52 U.S.C. § 30109(a)(1). Conservative Solutions PAC and Nancy Watkins in
12 her official capacity as treasurer (“CSPAC”), an independent-expenditure-only political
13 committee supporting the 2016 presidential campaign of Marco Rubio, received a \$500,000
14 contribution that it attributed to IGX, LLC (“IGX”) in its disclosure report to the Commission.
15 Complainants allege that Andrew Duncan violated 52 U.S.C. § 30122, a provision of the Federal
16 Election Campaign Act of 1971, as amended (“Act”), by making that contribution in the name of
17 IGX, and that IGX knowingly permitted its name to be used to make, and CSPAC knowingly
18 accepted, a contribution in the name of another. Complainants also allege that IGX violated
19 52 U.S.C. §§ 30102, 30103, 30104 by failing to register and report as a political committee as
20 required under the Act.

21 For the reasons explained below, the Commission finds no reason to believe that IGX,
22 LLC violated 52 U.S.C. §§ 30102, 30103, 30104 by failing to register and report as a political
23 committee.

1 **II. FACTUAL AND LEGAL ANALYSIS**

2 **A. Factual Background**

3 IGX, LLC is a limited liability company formed in Delaware on May 13, 2015.¹ IGX was
4 reported as making a \$500,000 contribution to CSPAC on October 26, 2015.²

5 Andrew Duncan is the CEO and “member/owner” of IGX, LLC and describes IGX as an
6 investment vehicle for entertainment and technology projects.³ He claims that his “employment
7 with IGX is publicly known,” citing a disclosure report filed with the Commission disclosing
8 Duncan’s personal contribution to Marco Rubio’s authorized committee.⁴

9 Conservative Solutions PAC is an independent-expenditure-only committee that
10 registered with the Commission on February 4, 2013. Nancy Watkins is its treasurer of record.
11 During the 2016 election cycle, CSPAC has received over \$60 million in contributions and made
12 over \$55 million in independent expenditures supporting Marco Rubio or opposing Rubio’s
13 opponents in the 2016 presidential election.⁵ CSPAC reported receiving a \$500,000 contribution
14 from IGX on October 26, 2015.⁶

¹ “IGX LLC” Dun & Bradstreet Report. IGX’s registered agent is the Corporation Service Company located at 2711 Centerville Rd., Suite 400, Wilmington, DE, 19808; that address is provided on CSPAC’s report disclosing the IGX contribution to the Commission.

² CSPAC, 2015 Year-End Report at 26 (Jan. 31, 2016).

³ Duncan Resp. at 2 (Apr. 26, 2016).

⁴ Duncan Resp. at 2; *see* Marco Rubio for President, Amend. 2015 Oct. Quarterly Report at 736 (Oct. 30, 2015).

⁵ *See, e.g.*, 24/48 Hour Independent Expenditure Report (“IE Report”) Mar. 11, 2016 (supporting Marco Rubio); IE Report, Feb. 16, 2016 (opposing Jeb Bush).

⁶ CSPAC, 2015 Year-End Report at 26 (Jan. 31, 2016).

B. Political Committee Status

1. Legal Standard

The Act defines a political committee as “any committee, club, association, or other group of persons” that receives aggregate contributions or makes aggregate expenditures in excess of \$1,000 during a calendar year.⁷ Notwithstanding the threshold for contributions and expenditures, an organization will be considered a political committee only if its “major purpose is Federal campaign activity (*i.e.*, the nomination or election of a Federal candidate).”⁸ Political committees are required to register with the Commission, meet organizational and recordkeeping requirements, and file periodic disclosure reports.⁹

2. Analysis

Regardless of whether IGX met the statutory threshold for political committee status, the record does not indicate that nominating or electing Federal candidates was the LLC’s “major purpose.” The record indicates that while IGX made a one-time political contribution to an independent-expenditure-only committee, IGX appears to operate “as an investment vehicle for film/entertainment and technology endeavors” and not for “any political purpose.”¹⁰ Duncan so stated in his response, and there is no available information in the record before the Commission

⁷ 52 U.S.C. § 30101(4)(A).

⁸ Political Committee Status: Supplemental Explanation and Justification, 72 Fed. Reg. 5595, 5597 (Feb. 7, 2007); *see Buckley v. Valeo*, 424 U.S. 1, 79 (1976); *FEC v. Massachusetts Citizens for Life, Inc.*, 479 U.S. 238, 262 (1986).

⁹ *See* 52 U.S.C. §§ 30102; 30103; 30104.

¹⁰ Duncan Resp. at 2; *see also* June Pictures, LLC, Form LLC-12 Statement of Information filed with California Secretary of State (Apr. 4, 2018), <https://businesssearch.sos.ca.gov/CBS/SearchResults?SearchType=LPLLC&SearchCriteria=June+Pictures&SearchSubType=Keyword> (disclosing IGX, LLC as the sole manager/member of June Pictures, LLC, a California “film production” company); Press Release, Oklahoma Film & Music Office, “Wildlife” Begins Filming in Oklahoma (Oct. 31, 2016), https://www.ok.gov/triton/modules/newsroom/newsroom_article.php?id=200&article_id=26606.

- 1 establishing otherwise. Accordingly, the Commission finds no reason to believe that IGX, LLC
- 2 violated 52 U.S.C. §§ 30102, 30103, 30104 as alleged.